

THE CENTRAL INTELLIGENCE AGENCY'S "SITUATION REPORTS," 1947-1951

Paper No. 10

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I. SUMMARY

Between 1947 and 1951, the Central Intelligence Agency produced thirty-two printed documents called "Situation Reports." These were intelligence handbooks whose primary purpose was to arrive at conclusions regarding the relationship of a given country or area to the security interests of the United States. Along with these conclusions, the Situation Reports furnished detailed data concerning the political, military, economic, and diplomatic status of each country treated, in terms of the time when the Report was published.

The Situation Report program was never popular. The Office of Reports and Estimates of Central Intelligence, which produced the Reports, accepted the burden with great reluctance. The program was strongly criticized in the Dulles-Jackson-Correa Report of 1 January 1949. Beginning in 1948, the intelligence arms of the Departments of State, Army, Navy, and the Air Force became increasingly resistant to the Series as an unnecessary burden upon themselves.

The Reports were produced by a slow, laborious process and were often out of date before they were published. Some of them were of lower quality than should have been permissible under the circumstances. Some set as high a standard for intelligence of their type as could reasonably be asked.

More than anything else, the weaknesses in the Situation Report program were a consequence of confused planning in the early stages of

-2-

the formation of Central Intelligence. To begin with, there seems to have been no disposition on the part of those who initiated the program to discover whether or not the facilities for its accomplishment were present. Second, there were involved, not one but three ideas as to what the program should be. Third, officials showed a greater willingness to make plans for the program than to furnish aid in carrying them out.

It would not be correct to say that the Situation Reports served no good purpose, but neither would it be correct to say that (as finally developed) they were appropriately allocated to a central intelligence agency. Because the Situation Reports were forced upon Central Intelligence, however, they consumed an immense amount of its time, much of which might better have been expended in other activities.

II. BACKGROUND

The Situation Report program became a reality early in 1947, partly, at least, as a result of ideas on the role of the Central Intelligence Group as a research activity that became current after the adoption of the Fifth Directive of the National Intelligence Authority in July, 1946. Such ideas often concerned the Group's Office of Reports and Estimates which was called upon to perform many marginal functions (including the production of Situation Reports) before it was ready for them. (See No. 1, p.)

According to a memorandum written in the Office of Reports and Estimates and dated May 18, 1949 the origin of the program was as follows:

-3-

"The SR's had a two-fold origin. Within ORE, as early as 1946, there was a feeling that estimates produced could be substantiated by studies of the basic situation in each country. Pending the completion of the NIS series, a series of brief basic situation studies was felt to be the answer. At the same time, upon instruction from CNO, ONI approached CIA with the inquiry whether CIA could provide basic country handbooks of small size and limited content, for high-level briefing. The acceptance of this requirement by CIA was merged with the ORE project, and the result was the SR series."¹

The actual origin might better be described as three-fold than two-fold, for there were three distinct elements in it. The "feeling" within the Office of Reports and Estimates in 1946 was that it might be desirable, on occasion, to supplement bare estimates with detailed data where there could be presumed to be doubts over the authenticity of the estimates or ignorance of some of the factors underlying them. Such studies, however, would have been produced only when they were clearly acquired.

The second element in the origin of the Reports was an essentially different idea, having to do with the recurrent rather than occasional issuance of intelligence studies. The idea is summed up in a memorandum to the Assistant Director, Reports and Estimates, from E. K. Wright, Deputy Director of Central Intelligence, dated January 13, 1947. General Wright proposed that the Office of Reports and Estimates "issue situation reports on the several strategic areas of the world....on a monthly basis. Each new issue should supersede the previous issue, the

-4-

latter being recalled for destruction. Strategic Intelligence Estimates should also be prepared by the Functional Branches for their several subjects. If well done and kept currently up to date, these estimates should come to be regarded as forming a handbook for the reference purposes of policy officers and intelligence chiefs...."¹

General Wright's approach to the problem of the Central Intelligence function in providing guidance to the formation of policy was shared by many in the intelligence field including some in the Office of Reports and Estimates. (See Nos. and) The majority of the latter, however, were resistant to any such attempt to hit the bullseye by covering the general area of the target. They so expressed themselves in a memorandum dated January 31, 1947 which reads in part as follows: "...the draft memorandum (proposes) a series of monthly situation reports, yet another form of current reporting. Such overemphasis upon routine, periodic reports must inevitably divert the attention and aims of ORE from the analysis of fundamental problems, as exemplified in ORE 1, or of emergent critical situations as they develop or are foreshadowed. The already projected program for the ORE series contemplates the preparation of general coverage of fundamental studies, as a basis for the initial determination of requirements and as a plane of reference for subsequent analyses of emergent situations. Such subsequent reports, however, should be produced as indicated by the developing situation rather than on a routine, periodic basis."²

- 3
1. This unsigned paper was prepared in connection with the "Reitzel" Report (See No.) See folder on that subject in Historical Files.

- 4
1. See "Situation Report" folder in Historical Files. See also No. where much the same idea was proposed in connection with the "Defense Project."
 2. See "Situation Report" folder in Historical Files.

-5-

Whether or not General Wright's demands for periodical intelligence reporting might have prevailed in any case, action in this direction was made certain through a request from the Chief of Naval Intelligence to the Director of Central Intelligence forwarded in January, 1947.¹ This was the third element in the origin of the Situation Report program.

The Navy's request was not for anything quite as elaborate as the Situation Reports became. What Admiral Inglis as Chief of Naval Intelligence seems to have been seeking was a relatively modest set of handbooks which would provide general information on various foreign countries for the benefit of persons who were not familiar with them. The Office of Naval Intelligence had itself begun work on such a project and sent the Director, along with its request, samples of what it had done. The proposal was that the Central Intelligence Group take over and complete this project as, in effect, a service of common concern.

It would probably have been difficult for General Vandenberg to decline the Navy's request. Six months had passed since he had prevailed upon the National Intelligence Authority to authorize a research function for Central Intelligence. No notable increase had taken place in the Group's production of intelligence during that period. As General Wright had observed in his memorandum of January 13 (see above), people were asking "when CIG is going to produce intelligence." It was true that what the Navy had asked for involved basic research which was not among the activities contemplated for the Group's estimating department; yet

5

1. The Navy's memorandum has not yet come to light in CIA files.

1. See "Situation Report" folder in Historical Files for a copy of this memorandum.

-6-

in view of Vandenberg's successful efforts to gain acceptance of the Fifth Directive, it might have seemed unwise to balk on that account.

Yet the fallacy, if any, was not so much in accepting the Navy's proposal as in doing so without consulting the Office that would be charged with responsibility for the consequence of accepting it. Instead what the Director seems to have done after accepting the Navy's request, was to pass it on to the Interdepartmental Coordinating and Planning Staff rather than the Office of Reports and Estimates for further action. This Staff might, in turn, have called upon the Office of Reports and Estimates for comment or to draw up plans, but instead, it proceeded entirely on its own. The Office of Reports and Estimates, in fact, knew nothing about the task in store for it until it received a memorandum for the Interdepartmental Coordination and Planning Staff dated February 26, 1947,¹ calling for production of the new Reports.

The Interdepartmental Coordinating and Planning Staff, which could not be considered the ideal group to draw up plans for the production of intelligence because it was insufficiently familiar with the practical problems involved, was aware of the program suggested by General Wright a month before (see above). The Staff apparently believed that it could combine Wright's ideas on periodical intelligence coverage with the series of country studies suggested by the Office of Naval Intelligence. Hence, what the Coordinating and Planning Staff proposed in its memorandum of February 26th was, in effect, a repetition of Wright's scheme of January, now complicated by the Navy's proposals for what was essentially an altogether different type of study.

-7-

The Coordinating and Planning Staff called for separate studies in which the "strategic and national policy aspects" of each country should be analyzed. There were also to be "functional" (as opposed to regional) studies. All these were to be written at a very rapid rate (twelve a month) and were to be brought up to date monthly. Thus--assuming the plan to be worked out--the policy makers would have before them strategic analyses, with complete background, of "each significant country or other appropriate geographical area" (as well as analyses of economic and scientific problems) which could be kept in mind in relation to day-to-day events reported by Central Intelligence in the current summaries. In addition, the "ORE" series of reports and estimates was to be continued to provide analytical coverage of developments as they emerged.

From the point of view of the Office of Reports and Estimates, this proposal was not only open to all the objections already set forth (see memorandum of January 31, 1947 above) but it contained the added drawback of being naive. For any organization to produce the type of publication wanted in the quantity wanted, and with the constant revision specified, would be a monumental task. The Office of Reports and Estimates was as yet very far from prepared for any part of such a task, even supposing that under any circumstances this was the sort of work it ought to be doing.

All protests from the Office, however, were unavailing. Despite a meeting of officers, held on March 5, 1947, at which the proposal was

unanimously declared to be outrageous, and despite a memorandum of protest forwarded by the Assistant Director for Reports and Estimates, the program was made mandatory. (For above see also No. 1, pp.)

It then became the duty of the Office of Reports and Estimates to find ways and means whereby at least the equivalent of the proposed program, however impractical, could be carried out. "Analyses of the strategic and national policy aspects" of a country was a description too broad to furnish much guidance. The specification later furnished by the Planning Staff that Situation Reports were not to be merely "another form of current intelligence" was inconsistent with the demand for timeliness; while the admonition that Situation Reports were not to be "basic intelligence," if observed, would tend to rule out the sort of study the Navy wanted.

The concept of what a Situation Report was to be was somewhat further expanded when the subject was discussed at the tenth meeting of the National Intelligence Authority, held on June 26, 1947. According to the statement of Admiral Hillenkoetter at this meeting, the Situation Reports were to be concise, loose-leaf handbooks, kept up to date, and followed periodically by an "overall analysis of the world situation based on them." Hillenkoetter's statement, in other words, carried the idea one step further. First, the Central Intelligence Group would supply handbooks (extensiveness not specified) on each significant world area and with respect to each "functional" specialty. Then it would distill from these something in the form of "strategic intelligence estimates" which would be kept up to date in monthly revisions.

-9-

Finally, it would combine these strategic analyses into a sort of world situation estimate, which it would issue periodically.

Thus, in the spring of 1947, when the Situation Report program took form, there were three, only partially related, ideas to take into consideration. The first was the Wright-Planning Staff concept of broad strategic estimates periodically issued and regularly kept up to date; second the Navy plan for producing intelligence handbooks of general information, and finally the idea held by the Office of Reports and Estimates of producing detailed strategic studies in cases where they were needed to explain or document a situation needing analysis. What would actually emerge was left largely up to the Office of Reports and Estimates.

Obviously, the new program, however it was developed, would be related to the National Intelligence Survey series (See No. 1, p.) which was already planned and in progress. It should be noted, nevertheless, that this relationship does not seem to have been discussed with reference to the Situation Reports at the time when Situation Reports were being proposed. The reason undoubtedly lay in the fact that during the spring of 1947 the Survey program was in such an amorphous state that it was not seriously considered as an effort that might eventually come into competition with others. Although the two programs existed side by side from the beginning, there is no evidence to show that the Situation Report Series was deliberately planned as a stop-gap measure to provide intelligence studies until the National Intelligence Surveys should be completed.

-10-

III. PRODUCTION OF THE REPORTS

In March, 1947, it became necessary for the Office of Reports and Estimates to find the practical means whereby the somewhat theoretical and conflicting theories concerning Situation Reports might be made a concrete reality. The recurrent comprehensive analyses fostered by the Interdepartmental Coordinating and Planning Staff had already been, in effect, rejected by the Office of Reports and Estimates and were beyond the capabilities of the Office in any case. The Office's own concept of analyses relating to particular situations was still possible but was rendered difficult if the Navy-sponsored list were to be followed.

The matter of length and emphasis was still left undertermined and would have to develop. The demand for timely and current Reports was too wide-spread to be ignored. It would certainly be desirable to avoid simple basic intelligence if for no other reason in view of the conflict that would eventually ensue with the basic intelligence program. Some sort of compromise was in order. The Office of Reports and Estimates had little choice but to proceed with plans of its own devising and await results.

As a first step toward initiation on an actual program, the Chief of the Estimates Staff of the Office of Reports and Estimates (See No. 1, p.) circulated to all regional branches, an outline on the basis of which work might be begun on the Situation Reports. This outline did little more than divide the projected reports into four sections:

-11-

Political, Economic, Foreign Affairs, and Military. As it stood, it might have been sufficient for the use of persons who knew what was wanted in the reports or who were capable of evolving on an acceptable concept of their own. Inevitably, however, the actual work of preparing situation reports was turned over to young and inexperienced members of the regional staffs. The manuscripts that they produced in haste, on the basis of the first outline, were disappointing, being in most cases reminiscent of the Encyclopedia Britannica.

When the first outline was found to be inadequate for the purpose, it was revised by the Chief of the "Projects Division",¹ rewritten by members of his office, and accepted by the Chief of the Intelligence Staff and all chiefs of branches. As such, it was distributed throughout the Office as a "Check List for CIA Situation Reports." This document is undated but must have been prepared during the spring of 1947. Subsequently, other and more elaborate instructions relating to separate sections of the Reports were prepared and circulated, but generally speaking, this first check list became the foundation for all Situation Reports that were produced.

The Check List divided the Reports into a Summary; chapters on Political, Economic, Military and Diplomatic offices; and sections on "Strategic Considerations Affecting US Security," and "Probable Future Developments Affecting US Security." There were also to be five informational appendixes. The sub-sections were in the form of a questionnaire, for example:

11

1. James S. Lay at that time.

12

1. A copy of this outline is in the "Situation Report" folder, Historical Files.

-12-

***2. Present Governmental Structure**

a. What is

(1) The theoretical structure of the Government, including organization and functions of the principal branches (Executive, Legislative, Judicial)?

(2) The form and operation of the Government in practice (assuming there is a difference)?

b. Are civil liberties as understood in the US allowed? (This would include control of press, radio, etc.)?"

If the idea seems elementary, it should be noted again that the persons actually working on the Reports were in need of guidance.¹

As is evident, this Check List, produced upon the best assumptions that the Office could make in the spring of 1947, necessarily set the pattern for the future. It meant that Situation Reports would become primarily statements concerning the strategic relationship of a given country or area to the United States. These statements would be backed up by such data as seemed required for the purpose. Taking into consideration again, however, the type of analyst who was to do the actual work, it was natural that too much attention was likely to be given to detailed area information, whether directly germane to strategic considerations or not. Hence there was a tendency, difficult to stop entirely, for Situation Reports to become small compendia of information rather than "strategic analyses."

First priority for production was given to the "country reports" requested in the first instance by the Office of Naval Intelligence.

-13-

These were: Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Yugoslavia, Finland, Denmark, Norway, Sweden, Iceland, Turkey, Egypt, Iran, the Arab States, Korea, China, India, Siam, and Indochina. The full list is given because it may be interesting to compare it with the successive Reports as produced.

The first Report actually published was on Turkey (disseminated in May 1947). The reason, of course, is to be found in the events of February and March 1947 culminating in the President's request to Congress for appropriations to aid Greece and Turkey in opposing Communism. The interest on the part of Congress in Turkey accelerated work on the Turkish Situation Report which was actually used by Congressional Committees. Because the Report on Turkey had to be rather hastily produced, it was revised and republished in December 1948. This was, however, the only one of the Situation Reports that was ever revised.

The Turkish Report having been completed on an extraordinary basis, the problem arose of an order of priority for the rest of the program. Ideally, the method would have been to determine which world strategic situations were most pressing and to write successive reports accordingly. Such a plan, however, would have been impractical.

In May, 1947, the Office of Reports and Estimates was not fully staffed in any department--certainly for the purpose of research. Throughout the organization it was true that while one sub-region within a regional branch might be adequately manned, another would be barely operative if staffed at all. Under such circumstances, it was manifestly

-14-

impossible to produce reports in accordance with relative need; the criterion would have to be the ability of the Office to produce any reports at all. Hence the selection of Albania, as a strategic country with a Navy priority, small in area and population and relatively simple from a political and economic point of view. It should be "easy" to write a report on Albania, to publish it soon, and to use it as a touchstone for future reference.

In practice, however, Albania proved less simple a problem than had been anticipated. It became Situation Report No. 4 and was not published until September, 1947. It might be mentioned in passing that Reports on other Soviet "satellites," all of which had been planned for an early date primarily because they ranked high on the Navy request, were never completed with the exception of "Rumania" which came out in October, 1949.

Meanwhile, other "simple" problems were attacked. Specifically, Denmark and Norway, although they were not considered of great immediate strategic consequence, seemed to present easily realizable goals. The Report on Denmark was published (as No. 3) in August; that on Norway (No. 5) could not be completed until October.

Simultaneously, the "Far Eastern" branch of the Office of Reports and Estimates concentrated on Korea, a small country with important strategic implications, for which the facilities for producing a study happened to be at hand. The Korean Report (No. 2) was completed along with the Danish (No. 3) in August.¹ The Report receiving No. 6 was on Iran and

14

1. For comments on SR-2 see No. 17.

15

1. This terminology is used because it was that in force during the period under consideration. What was then a "Branch" would now be called a "Division."

-15-

was published in October. (Yet a Report on Sweden, which was given No. 7 because it was planned to appear along with those on Norway and Denmark, was not actually published until April 1949.)

It may be interesting to note that the same number of situation Reports (eight) were produced during the last seven months of 1947 as were published during the whole year 1949, despite the fact that the Office of Reports and Estimates was much larger during the latter year than it had been in the former, and had two years' experience to go on. The reason could probably be found in the dwindling pressure on Central Intelligence to produce this type of intelligence and the growing demands for other types; the developing difficulties of inter-agency coordination; and an aversion to the program within the Office of Reports and Estimates.

This aversion was not unnatural. The Office was never convinced of the desirability of the program and tended to look on it as an added, if not senseless, burden. Furthermore, although the Office had been required to undertake the program, it was not given all the support it needed for such an assignment. For example, on April 16, 1947, the Chief of the Latin American Branch¹ of the Office of Reports and Estimates decided that his Branch should concentrate on Situation Reports and made a proposal for the betterment of the program. "It will be impossible," he stated, "to produce even reasonably adequate Situation Reports on Latin America for the following reasons: (a) a serious shortage of personnel experienced or qualified on this area....." and (b) a lack of even the most basic elements of intelligence information on practically every

-16-

country in Latin America.." He therefore proposed that employees of his Branch be detailed to specific embassies in Latin America for a period of four months, during which they would gather material, thus not only making it possible to produce superior Situation Reports but improving the quality of the employees and of the Branch files. On April 22, however, the Assistant Director declined this request on grounds that it "does not appear feasible." It would cost money which it would be inadvisable to request under current circumstances; it would annoy the State Department ("...State would be opposed to the sending of teams by CIG for the specific purposes indicated"), and it would be the wrong way to gather the information. Rather, Central Intelligence should acquire such information as it needed by request to "War, Navy, Commerce, and others (which) should prove fruitful sources for the desired material"; and by sending the Situation Report outline to the Foreign Service.¹

The incident is mentioned because it may demonstrate the general attitude that existed toward the Situation Report program. The Reports were desired; there was insistence that the Office of Reports and Estimates should produce them; yet no need was felt strong enough to prompt more than routine measures for bringing the program to fruition. The view seems to have been held that a product of high quality could be produced apart from any extraordinary efforts to produce it.

16

1. See correspondence between J. K. Huddle, AD/ORE and Chief, Latin American Division, in "Situation Report" folder, Historical Files.

STAT

-17-

By the end of July 1947, three reports (Denmark, Turkey, and Korea) had been completed; three more (Albania, Norway, and Iran) were nearing completion, while forty-nine others were listed as in the process of being prepared. For each of these projected Reports a "target date" had been assigned. Taken seriously, these dates indicated completion of the whole program by May, 1948. With reference to the original proposals for twelve situation Reports a month, such a plan might have seemed unacceptably slow; in view of the realities of production, however, it was absurdly over-optimistic.

"To begin with," wrote the Acting Chief of the "Projects Division" of the Office of Reports and Estimates on 29 July 1947, "the 'initial draft'.....has in most cases been in fact a compilation of intelligence information by analysts of P-1 or P-2 grade which in no way bears a resemblance to the final draft. This means that an acceptable initial draft report cannot be expected within a minimum of 30 days of the time indicated. But the hoped-for improvement in (1) the acquisition of personnel, (2) reducing the time required to clear the paper through the IAB agencies, and (3) getting prompt reproduction and dissemination of the approved reports, has not materialized. The present schedule has, therefore, no validity whatsoever."

According to an "Estimate of Elapsed Time" included in the same memorandum 100 days could be expected to intervene before a draft "Situation Report" acceptable to a "Branch Chief" could be cleared by all others concerned and ready for publication. Even this estimate was optimistic.

-18-

It allowed, for example, only sixteen days for inter-agency coordination. It also took no account of the time required to prepare the Report within the "Branch."¹

On October 3, 1947, the Interdepartmental Coordinating and Planning Staff again turned its attention to the Situation Report program, this time proposing a new form of study to be called "National Situation Reports." The Staff's proposals were again drafted without consultation with the Office of Reports and Estimates.

It is unnecessary to recount details of the plan because no action was taken with respect to them.² Suffice it to say that in the opinion of the Office of Reports and Estimates, the plan was "replete with absurdities which need not be discussed in detail, but which should be noted as further evidence of the absolute inexperience of ICAPS personnel in matters relating to the production of intelligence estimates and their ignorance of actual O.R.E. production."³ The Planning Staff's requirements for "National Situation Reports" were, in effect, allowed to die in a flurry of memoranda.

Meanwhile, the Situation Report program, despite its unpopularity, had found a definite place in the scheme of things within the Office of Reports and Estimates by the end of 1948. For one thing, there was some feeling within the Office that the Reports served an important purpose as related to the current publications, and to special estimates, which might be insubstantial or meaningless unless read against the type of background furnished by the Situation Reports. From a purely internal

18

1. See Memorandum from [redacted] Acting Chief Estimates Group to AD/ORE in "Situation reports" folder, Historical Files.
2. See No. 1, p. for a discussion of this memorandum in another connection.
3. See Memorandum from L. L. Montague to AD/ORE October 20, 1947: Subject, "National Situation Reports" in ORE SR Production File, Historical Files.

STAT

19

1. From SR-48 Ireland, 1 April 1949.

-19-

point of view, furthermore, it was unquestionably true that work on the Reports furnished valuable training to the extent that through it analysts were forced to consider the intelligence on their area as a whole rather than piecemeal. Similarly, writing of reports meant enforced ordering of intelligence files. Finally--and probably most important--the momentum provided by the fact that work was going forward on the program made it difficult to stop. Once a certain amount of effort had been expended on any given paper, it was only human to resist an attempt to cancel the project entirely.

As to the actual purpose being served by the Reports as they successively appeared, it was probably no more than an educational one for the most part. For example, the official distribution accorded to the Situation Reports as midway in the program's history included:

- Office of the President
- National Security Council
- National Security Resources Board
- Department of State
- Office of the Secretary of Defense
- Department of the Army
- Department of the Air Force
- State-Army-Navy-Air Force Coordinating Committee
- Joint Chiefs of Staff
- Atomic Energy Commission
- Research and Development Board¹

The bulk of the copies published, however, went to the Departments of State, Army, Navy, and the Air Force. It is most unlikely that the few sent to the other official recipients were read by anyone of importance. The four departments specified, however, received fifty copies apiece. What further disposition they made of these copies was their

-20-

own internal affair and generally unknown to Central Intelligence. It is to be assumed, however, that the two hundred copies in question went to persons in the respective departments who could make use of general intelligence information about the areas treated. Intelligence schools, for instance, were furnished with Situation Reports, as were some attaches and diplomatic representatives. To state that the Reports served no good purpose would be far from the truth, but to maintain that they were serving a purpose that would have necessitated the creation of a Central Intelligence Agency would be absurd.

IV. AGENCY RESISTANCE TO THE PROGRAM

The Situation Report program had been in existence less than two years before it began to come under attack as an obstacle to progress toward other intelligence objectives. A memorandum addressed to the Chief of the Interdepartmental Coordinating and Planning Staff from the Intelligence Organization of the Department of State dated 9 November 1948 seems to have been the first complaint. Like its successors, it proposed abandonment of the Situation Report Program on grounds that it conflicted with the National Intelligence Survey program.

In a memorandum to the Director, commenting on this proposal, the Assistant Director for Reports and Estimates gave as his view that "The Office of Reports and Estimates is in complete agreement with the principle implied.....that the production of Situation Reports should not be continued concurrently with the production of National Intelligence Surveys.

-21-

Indeed, from its inception, the SR has been considered an interim means of achieving limited objectives pending the availability of the National Intelligence Surveys."¹ Rather than abandon the Situation Reports, however, the Assistant Director proposed:

"a. That the SR series be limited substantially to the reports listed in Enclosure A (i.e. those on which most work had already been done).

b. That no department be requested to draft any part of reports produced subsequent to this date.

c. That departmental participation be restricted to the preparation of comment on CIA drafts.

d. That CIA continue to accord a low priority to this series.

In a formal reply to the Special Assistant to the Secretary of State for Research and Intelligence dated 13 December 1948, the Director of Central Intelligence substantially reflected these ideas, saying that "it is thought the program for SR's should taper off rather than be summarily abandoned at this time." He suggested that "CIA prepare the drafts of the SR's and the IAC departments merely comment on those sections of primary interest."²

The program thus continued in a general understanding that there would be no attempt to complete all the Situation Reports originally listed. Central Intelligence endeavored to keep its demands for contributions of information to a minimum and would have been willing to omit Agency review entirely. The latter function, however, was one that

-22-

the heads of the Agencies could not overlook without running a risk of permitting strategic evaluations to be published with which they might not be in agreement.

No real change in the situation report program took place as a result of the negotiations of December 1948. One year later, however, the same controversy arose again. In this case, Army intelligence, in a memorandum of November 18, 1949, joined by Navy and State on December 5 proposed to the Director of Central Intelligence that the Situation Report program be discontinued on grounds of conflict between this program and the National Intelligence Surveys.¹

By this time, a certain degree of irony had entered into the controversy. The Office of Naval Intelligence, now pressing as hard as the rest to have the Situation Report program cancelled, had of course, been its originator. The complaining Agencies had known in 1947 that both the National Intelligence Surveys and the Situation Reports were planned, but they had entered no objection at that time. It was quite obvious, furthermore, that the argument regarding the alleged conflict of the two programs was not entirely valid. It was true that by 1949 some part of the work on the National Intelligence Surveys was going forward but not enough to constitute an important duplication of effort with the other task. Even the Chief of the Basic Intelligence Group who had charge of the National Intelligence Survey program gave as his opinion that production of Situation Reports should continue in view of the still embryonic condition of his own program. Evidently, what had really happened within

21

1. See, however, above, p. 9
2. For the three memoranda in reference above, see "Situation Report" folder in Historical Files.

22

1. Ibid., loc. cit.

-23-

the Agencies was a sort of revolt on the part of analysts who had to spend considerable time in the review of Situation Report manuscripts offered by Central Intelligence for coordination, but could not see that they personally got sufficient credit for their efforts.

Central Intelligence, for its part, had no more love for the Situation Report program than it had ever had, but having gone so far with the preparation of many unfinished Reports, it was loath to abandon them on the brink of publication. From the point of view of Central Intelligence, furthermore, the Agencies' complaint that they were being overworked was absurd, particularly because the alleged overwork was expended on the review of completed drafts. So far as Central Intelligence was concerned this review was unnecessary and unwelcome. It appeared that if the Agencies insisted on continuing to furnish copious comments on Reports written by the Office of Reports and Estimates, they could at least not complain about this (from the point of view of Central Intelligence) self-imposed task. Finally, the atmosphere having become rancorous by this time, Agency insistence on changes in a program of production undertaken by Central Intelligence appeared like undue interference in the internal affairs of the Agency.

Thus, in a memorandum of 17 February 1950 addressed to the Director, the Assistant Director for Reports and Estimates concluded:

*3. It is further believed that it is inappropriate for the Intelligence Advisory Committee to determine the media by which the

-24-

Central Intelligence Agency exercises its responsibilities for the production of national intelligence.

4. It is therefore recommended that you decline to accept the advice of the Department of the Army with respect to termination of the Situation Report program."¹

The net result of the controversy was again retention of the status quo. Until late in 1950, when the whole program was cancelled, Situation Reports continued to be written, coordinated, and published. That the process did not improve inter-agency relations is manifest.²

V. CONCLUSIONS

A list of the thirty-two Situation Reports actually published by the Central Intelligence Agency between the authorization of the program in 1947 and its cancellation in 1950 is appended. In length, they average about seventy-five pages linotype. Each contains appendixes covering such fields as population statistics, topography and climate, and individual biographies. All of them contain at least one map. The report on China was published with a special supplement containing eleven maps of various types. The two commodity studies (SR-27 "Tin" and SR-28 "Mercury") seem strangely out of place along with the regular reports on countries and areas, but they are, of course, a survival of the original plans furnished by the Interdepartmental Coordinating and Planning Staff which called for "functional" as well as regional studies.

24

1. See Situation Report folder in Historical Files.

2. See, for example, the account of the coordination of SR-20 below.

-25-

The value of the completed Reports would be difficult to assess. The current intelligence on which they were based is no longer of interest; the remainder of the material is common knowledge. Unevenness of quality naturally prevailed, depending on the abilities of the particular group that produced any given report. Some of the Reports might properly be said to have developed, from collected and evaluated facts, doctrine acceptable to all parts of the intelligence structure. Other reports were slight. All in all, what the Program produced was no more than could have been expected under circumstances which were not propitious.

Chief among these circumstances were the following:

- (1) The Situation Report Program was not conceived in relation to the primary functions to which the Central Intelligence Group had been committed by the Presidential letter that established it.
- (2) Once adopted, the Program was allocated to a part of the Group which had been designed for a different type of work, rather than to the Basic Intelligence organization or to a department especially organized for the purpose.
- (3) Because of the differing interests and concepts involved, it was impossible to plan a rational approach to the problem which would have made the Situation Reports either a strict service of common concern undertaken in relation to the National Intelligence Surveys; or a serious attempt to solve the problem of National Intelligence Estimates by means of broad current conclusions rather than analytical treatment.

-26-

(4) The result was to handicap the producing office in production of both types.

(5) The production problem was made no easier by the requirement that the Situation Reports must be "coordinated." The result was to add to the already serious difficulties of producing reports under the circumstances just described, all the delays, frustrations, and complications that went with inter-agency "cooperation." An appendix attached to this paper which should be read in connection with No. indicates some of the difficulties encountered in this connection.

Apart from any value they may have had as intelligence studies applicable to particular purposes, the Situation Reports of 1947-1950 must be considered as a by-product of the confused planning that attended the birth of Central Intelligence. If any conclusion can be derived from a study of them, it is that no program of intelligence production should be undertaken until those adopting it are sure precisely what is wanted and that the means of following the program through are available.

APPENDIX: Problems in the Coordination of Situation Reports¹

The requirement that Situation Reports be "coordinated" was inescapable in view of the strategic conclusions set forth in the course of these studies. It was implicit, however, that those considering agreement or disagreement with these conclusions must also search the evidence offered in support of them. This, in turn, meant careful--sometimes minute--review of each bulky manuscript that a Situation Report represented. In the course of such a review, it was natural, if not inevitable, that attention

26

1. Records on which the discussion of SR coordination is based are in Historical Files, Safe No. 8405.

27

1. The fifth was an Army dissent on certain strategic aspects discussed in SR-18 "Mexico," 24 January 1951.

-27-

could be diverted from the conclusions to the minutiae.

Hence, "coordination" was far from what it might have been in theory, under which the four Agencies and Central Intelligence discussed and arrived at conclusions to be drawn from intelligence generally available about a given country. In concrete fact, coordination meant that Central Intelligence became the recipient of long, detailed commentaries on each report which it must incorporate in a manner satisfactory to all concerned. Even if the process had been no more than two-sided, it would still have been laborious, but with five participating, it was, potentially at least, interminable. It should also be mentioned that, because of the length of the studies, the committee system, employed to expedite clearance of shorter estimates (See Nos. 9 & 10), was seldom adopted for Situation Reports.

In view, however, of the time and deliberation that must necessarily be taken in the production of a Situation Report, it might be supposed that eventual agreement would emerge--that Central Intelligence would not be likely to publish a Report until all participants had been brought into agreement. This was true with the exception of five out of the thirty-two Reports. Because the controversies engendered are a good index to the atmosphere in which Situation reports were produced, four of them are separately discussed below:¹

1. SR-9 Chile 1 September 1947

Although this paper was given the date 1 September 1947 it was probably not actually circulated until December, having been held up by coordination.

-28-

The report contains the following undoubtedly controversial statements:

(1) "Economically and strategically Chile is not a considerable factor in US security. It is, however, the Latin American country where the Communists have the greatest potential for working against US interests."

(2) "Chile produces no commodities of vital necessity to the US economy in war or in peace."

The Department of State objected to the first of these statements on grounds that "this generalization cannot be justified in view of existing situations in, for example, Cuba and Venezuela."

The Department of the Army dissented for three paragraphs on both statements. As to the second, it thought that Chilean copper would necessarily become of vital strategic importance to the United States in case of war. In other strategic aspects, the Army held that, in case of war, when denial of the Panama Canal would become a "strong possibility," Chile could furnish strategic bases for naval interdiction of the Straits of Magellan. Hence the Army disagreed "with the idea implicit in several sections of the report that Chile is of little or no strategic importance to the United States."

Open to question as the statement made by Central Intelligence about the strategic importance of Chile might have been, no other Agency took exception to it. Furthermore, the Navy, which might have been

-29-

presumed to have a prior interest in interdiction of shipping hypothetically diverted from the Canal around Cape Horn, concurred in the Chilean report without comment (on 23 October 1947).

Thus, as was often the case with Situation Reports as well as other estimates, the positions stated by the participants could lead to confusion on the part of an individual using the report. For example, had all the military agencies agreed in a statement that the strategic importance of Chile to the United States was much greater than had been indicated by Central Intelligence, it would have been logical to conclude that Central Intelligence had simply been in error. With one military agency on one side, however, and with Central Intelligence, State and the other two military agencies on the other, the reader might well ask himself what he was to believe.

2. SR-11 Spain 15 November 1948

The Spanish Situation Report was the subject of two dissents, both of them probably avoidable.

It had not been the intention of Central Intelligence to say that the position of the Franco regime was unstable, or that there was any foreseeable reason for expecting it to fall. On the contrary, it was the belief of the authors that the Franco government would remain in office indefinitely. Because of the still-strong and widespread unpopularity of Franco so soon after the war, however, and because of the difficulties for American policy caused thereby, the principal question with regard to Spain was naturally

-30-

whether or not there might some time be a change in its government. In discussing such few possibilities of change as it could discover, Central Intelligence seems unintentionally to have given the impression that it looked upon a displacement of Franco as a distinct possibility. That it should have been possible to give this impression, furthermore, is not surprising in view of the ambiguities present in some statements within the Report. (See in particular, p. iii.) A revised and re-worded statement of these ambiguities might well have obviated the State, if not the Army, dissent. Negotiations, however, seem to have fallen down in the midst of a disharmonious inter-agency atmosphere. (See No.

The State Department dissented on grounds that the report had been too pessimistic over the Spanish economic situation, which Central Intelligence had mentioned as a possible ultimate cause of Franco's overthrow. State thought not only that the economic situation was more favorable than the Report had implied, but that it would improve.

Army expressed disagreement with the conclusions of the paper: "These conclusions," the Army said, "are that, while no change is probable within six months, the situation in Spain is ultimately one of danger to the United States because of the possibility of Communist domination of the area. It is indicated that such domination might result from (a) revolution aided by the USSR or (b) military aggression by the USSR."

Army then proceeded to a refutation. It should be noted, however, that the statement of the "conclusions is the Army's. There is a difference between this statement and what Central Intelligence actually said.

-31-

To this refutation, the Department of the Army added a paragraph which might be difficult to justify as a dissent on what was supposed to be purely an intelligence appreciation, not only because the Army was objecting not to what the paper said but to what the Army maintained the paper ought to have said, but also because the Army's remarks resemble a policy proposal. The paragraph reads:

"The Intelligence Division, Department of the Army, considers that the paper fails to bring out the two most pressing problems affecting United States security which the Spanish situation presents. First, the potential strategic importance of Spain to the United States in the event of war with the USSR renders extremely serious the present coolness of relations between Spain and the United States. Second, the strategic importance to the United States of Western Europe as a whole renders equally serious the present coolness of the major Western European nations toward Spain. The United States has shown that it recognizes the importance to its own security of the integration of Western Europe economically, politically, and militarily. Such integration is incomplete and inadequate without Spain, yet Spain has been specifically excluded from all moves in this direction. The Intelligence Division, Department of the Army, realizes that the problem of bringing Spain into the Western group of nations is a difficult one but does not consider it insoluble. This division believes evolution within Spain is not only passible but probable and considers that evolution will lead to bettered relations with the Western Powers, including the United States, with the possible ultimate inclusion of Spain in the Western defense system. However, should efforts to achieve a measure of union of Western European nations fail or should they prove so inadequate as to merit no further encouragement or support from the United States, the strategic value of Spain to the United States would warrant increased efforts on the part of the United States to establish full cordiality in relations between the two countries."

3. SR-17 Brazil 30 November 1948

In the case of the Situation Report on Brazil, the State Department took exception, not to a statement made by Central Intelligence but to an inference.

-32-

Under "Strategic Considerations Affecting U. S. Security" Central Intelligence had stated: "The political significance of Brazil's peculiar geographic position lies in the fact that Brazilian policy is determined in that part of the country lying outside the zone of US military predominance. The Brazilian Government, therefore, has a considerable latitude for independent action."

A footnote to these sentences reads: "The Intelligence Organization of the Department of State does not concur in the above statement. We believe that the statement is misleading and that the implication that countries lying within the zone of US military predominance do not have considerable latitude for independent action in international affairs is untrue."

4. SR-20 Germany 9 December 1949

No Situation Report was produced quickly or with ease; some (e.g. almost all the "satellite" reports; the Report on Indochina) never could be completed. The Situation Report on Germany, which might well have fallen into the latter class, was finally published because of special pressure for completion, but the three-year process was exceptionally arduous, and the final product even then did not receive full approval. In some ways, this paper epitomizes all the flaws that underly the Situation Report program as a whole.

The records do not show when work on this paper was begun in Central Intelligence, but it was probably one of the first attempted in 1947.

-33-

The fact that it was February 1949 before a manuscript was ready for the consideration of the Agencies is not alone testimony to the complexity of the problem attacked. More than that, the cause lay in the inability of those working on the study to produce an acceptable draft.

Even the draft that was circulated to the Agencies on February 23, 1949 was far from satisfactory to those within Central Intelligence charged with the review of such manuscripts. The most that could be said was that the manuscript being distributed was less obnoxious than some of its predecessors had been. The paper was probably released in the thought that something was better than nothing.

Comments from the Agencies on this first draft were received in the middle of March. None was enthusiastic. The State Department dissented, even in this preliminary stage.

In view of what the Agencies said, revision was undertaken forthwith and was apparently completed in September, at which time the new draft was sent out a chapter at a time. Objections to the various drafts still being serious, it was decided that differences might be resolved at an inter-agency meeting, which was held on October 13.¹ This meeting was followed by another the next day and a third on October 20th. A "Second revision of draft (Chapters I, III, IV, V, Appendixes A through E)" was circulated to the agencies on October 26th. On this revision, all concurred except State which again dissented in memoranda of November 9, November 16th, and December 7.

33

1. As has been noted, such meetings were rare on Situation Reports and were resorted to only in the case of special difficulties.

-34-

A decision was then apparently made by Central Intelligence to publish the Report despite State's disapproval. This decision was made, however, in spite of objections from within the Office of Reports and Estimates on the part of those who had reviewed the successive versions of the Report. The fact, according to these reviewers, was that the manuscript as written was not fit to be published and that it would be better to omit a Situation Report on Germany altogether than to expose Central Intelligence to well justified criticism on grounds of inferior work. The reviewers so recommended on more than one occasion throughout the history of "SR-20."

They were overruled, however, and the Situation Report on Germany, minus the particularly troublesome chapter on Economics, and the Summary, was published on 20 December 1949. (The publication date shown on the cover of the Report (December 9) represents the time when the document was ready for distribution rather than when it was actually distributed.) State's dissent with this part of the paper was included. The rest of the report was to follow.

On the same day (20 December), another interagency meeting was held for the purpose of adjusting differences between State and Central Intelligence concerning German economic problems.

At this meeting, the Christmas spirit did not prevail. The matter had reached an impasse. By now, furthermore, so many different manuscripts and so many different revisions had been the subject of consideration by the Agencies that all concerned were weary of the German

-35-

Situation Report, including important officials within the military agencies who had continually had to consider manuscripts of "SR-20" in connection with signing memoranda of comment on them. All this was going on, furthermore, (see above) during the period of agency revolt against the Situation Report program in general. It could not have had the effect of making the program any more palatable than it had become.

The meeting of December 20th had no effect on the position of State which continued to dissent on January 10th and again on February 2nd.

The controversy over the Economics chapter, however, dragged on, and this section, along with the Summary, was not published until March 7, 1950. The State Department entered a separate dissent to the Economics chapter and the Summary.

One result of the fantastic procedure outlined above should be noted--that although the Situation Report on Germany was not actually completed until March 1950 the information contained in it (See footnote page I-1), is stated to be as of 1 September 1949. Even this statement was accurate only in a general way, as was noted by State in one of its dissents: "Although the report purports to be up-to-date as of September 1, 1949, many facts and figures lag behind that date." Much of the material, indeed, seems to have been as of mid-1948. For this reason alone, it was frequently suggested during the coordination period (February 1949-March 1950) that the whole paper ought to be rewritten to bring it

-36-

up to date. How this was to be done under the circumstances must remain somewhat of a mystery.

The State dissents are based, not on any one point, but on a general statement that the report was "inadequate" and "does not convey a sound understanding of the situation in Germany."

It would be hard to quarrel with the comment. The manifest futility of the whole process involving this paper from beginning to end, however, might provide a commentary on the propriety of making plans for a government agency without adequate consideration of the means by which they are to be carried out.

GERMANY SR-20

- 2/23/49 - Draft to IAC agencies (deadline 1200, Friday, 11 March)
- 3/11/49 - Comments from Army
- 3/15/49 - Concurrence without comment from Air
- 3/15/49 - Dissent from State
- 9/13/49 - Appendix A - Terrain & Climate (rec'd from B/WE to be revised - stencil)
- 9/14/49 - Appendix B - 1110 rec'd
- 9/14/49 - Appendix C - 1337 rec'd
- 9/16/49 - Chapt. IV - 1623 rec'd
- 9/20/49 - App. A, B, C & Chapt. IV to IAC agencies for coordination (deadline 1200, 30 Sept.)
- 9/22/49 - Chapt. V - rec'd 1133
- 9/22/49 - App. D) 1223 rec'd
App. E)
- 9/27/49 - Chapt. V, App. D, E to IAC agencies (deadline, 7 Oct., 1200)
- 9/27/49 - Chapt. I - rec'd 1546
- 9/28/49 - Maps (100 each) #310853, 10902-10908 rec'd from Map Branch and turned over to B/WE - One map not yet finished and B/WE asked to consult with units B/MA re this.
- 9/29/49 - Comments from State (Mr. Dunn)
- 9/29/49 - Chapt. III - rec'd app. 1600
- 9/30/49 - Comments from State (oral) via Bryson - addt'l on Chapt. IV - suggest pp. 6-10 be rewritten
- 10/3/49 - Supplemental comments from State on Chapt. IV (Strauss via Dunn)
- 10/3/49 - Army - ID - phoned to say comments delayed. Ready tomorrow (4 Oct.)
- 10/3/49 - Comments from Air - Chapt. IV, App. A, B, & C

-2-

- 10/3/49 - Comments from ONI - Chapt. IV, App. A, B, C
- 10/4/49 - Chapt. I & III to IAC agencies (deadline 1200, 14 Oct.)
- 10/5/49 - Comments rec'd from Army - Chapt. IV, App. A, B, C
- 10/7/49 - Memo to IAC Agencies calling mtg. 13 Oct. 1330, to discuss Chapt. IV, App. A, B, C & Chapt. V, App. D, E
- 10/7/49 - Central Records phones that Army's comments Chapt. V, D, E rec'd 1640
Representatives Mtg. 13 Oct. 1330 Room 2001
 - Army - Mr. Blackstock
 - Air - Mr. Benjamin
 - State - Mr. Marcuse
 - ONI - Mr. H. S. Bennett
 - Q. S. Kidd
 - H. P. Fonda

- 10/10/49 - Comments from Air on Chapt. V, App. D & E
- 10/10/49 - Comments from Army on Chapt. V, App. D & E
- 10/10/49 - Comments from State on Chapt. V, App. D & E
- 10/11/49 - Comments from ONI on Chapt. V, App. D & E

Continuation of Mtg. 13 Oct. to 14 Oct., 1330 - Room 2523

- 10/18/49 - State's comments on I & III
- 10/18/49 - Navy's comments on I & III
- 10/18/49 - Army's comments on I & III

Representatives at Mtg. 20 Oct. at 1330 2519

- Army - Mr. Frank Irwin
- Navy - Mr. Henry Fonda
- Air - Mr. Donald Benjamin
- State - Mr. Herbert Marcuse

- 10/21/49 - Memo to IAC agencies
- 10/26/49 - 2nd revision of draft (Chapters I, III, IV, V; App. A through E) to IAC agencies. Deadline 1200, 4 Nov.
- 11/7/49 - Chapter 2 received (Economic Section)

-3-

- 11/7/49 - Concurrence without comment from ONI on Chaps. I, III, IV, V, App. A - E
- 11/7/49 - Concurrence without comment from Air on Chaps. I, III, IV, V, App. A - E
- 11/9/49 - Dissent from State on Chapters I, III, IV, V, App. A - E
- 11/9/49 - Concurrence with comments from Army
- 11/10/49 - Chaps. I, III, IV, V; A through E to Reproduction
- 11/10/49 - Summary rec'd
- 11/16/49 - Dissent from State
- 11/18/49 - Summary & Chapt. II to IAC agencies - deadline 1200, 2 December for comments
- 11/21/49 - Proof on Chaps. I, III, IV, V; A through E received
- 11/28/49 - Proof returned with State's dissent & F. of C.
- 12/1/49 - Concurrence without comment from Army
- 12/6/49 - Comments from ONI
- 12/7/49 - Comments from Air Force
- 12/7/49 - Dissent from State
- 12/9/49 - Final copy submitted for approval by Reproduction. Binding and dissemination held up because maps not completed.
- 12/12/49 - Decision made to disseminate without 1st map

Mtg. 20 December - 1330 - 117 Central Bldg.

Chairman

| | | |
|-------|---|--------------------------------------|
| ONI | - | R. Mullen |
| Army | - | none |
| Air | - | none |
| State | - | Erwin Strauss, Miss June M. Boeckman |
| D/NE | - | Messrs. Hawley, [redacted] |

- 12/20/49 - 1st section (Chaps. I, III, IV, V, etc.) disseminated

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-4-

- 1/10/50 - Dissent from State on Summary and Chapt. II
- 1/11/50 - Revised draft - Summary and Chapt. II to IAC agencies -
deadline Thursday, 26 Jan. 1950, 1200
- 1/23/50 - Memo from Army suspending action till final decision on SR's
- 1/25/50 - Memo to IAC with changes in Chapt. II & Summary, putting dead-
line back from 26 Jan. to 2 Feb.
- 1/31/50 - Informal confirmation of previous dissent on Chapt. II & Summary
([redacted] to Moberg) [This dissent not based on final revised
edition.] STAT
- 2/2/50 - Dissent from State as per memo of 10 Jan. 1950
- 2/6/50 - Concurrence without comment from ONI
- 2/6/50 - Concurrence without comment from Air
- 2/9/50 - Concurrence on Summary; "No comment" on Chapt. II from Army
- 2/14/50 - Draft to Reproduction (Chapt. II, Summary, and State's dissent)
- 2/20/50 - Concurrence with comment on Summary from Army; "No comment" on
Chapt. II
- 2/20/50 - Page proof rec'd
- 2/23/50 - Page proof returned
- 3/7/50 - Disseminated

Page Denied